## **Summary of CPUC EPIC Program**

Funding: \$162M per year Total (\$127.8M CEC; \$33.3M IOUs; \$0.8M CPUC)<sup>1</sup>

**Applied Research (\$55 million CEC):** Defined as activities supporting pre-commercial technologies and approaches that are designed to solve specific problems in the electricity sector. Activities could include clean energy supply technologies (e.g., generation, CHP), clean energy demand side options (e.g., efficiency, demand response); grid operation and T&D technologies, applied research that addresses the environmental and public health impacts of electricity-related activities; and clean transportation as long as there is a linkage to the electricity ratepayer benefits.

Technology Demonstration and Deployment (\$45 million CEC; \$30 million IOUs):

Defined as the installation and operation of pre-commercial technologies or strategies at a scale sufficiently large and in conditions sufficiently reflective of anticipated actual operating environments to enable appraisal of the operational and performance characteristics and the financial risks. The decision states that funding from this category of EPIC activities includes:

- At least 20% (\$9 million) of funds administered in this category by the CEC should be set aside for pre-commercial bioenergy technologies and strategies, including bioenergy from biomass with forestry and fire prevention benefits, dairy digesters, biomethane production for pipeline injection, and landfill gas electricity production.
- EPIC shall not fund investments that seek to enhance the competitive position of certain preferred, commercially-proven technologies or approaches, such as existing biomass facilities.
- Includes strategies and other activities that are not specifically about the
  deployment of a technology itself, but are designed to test successful ways of
  encouraging customer adoption of clean energy technologies, such as electric
  vehicles, energy efficiency, or renewable generation.

Market Facilitation (\$15 million per year): Defined as activities that can include program tracking, market research, education & outreach, regulatory assistance & streamlining, and workforce development to support clean energy technology and strategy deployment. The CPUC Decision indicates that market facilitation activities include not only those related to renewables deployment, but also facilitation efforts to support other clean energy technologies, including demand-side activities. EPIC funds may be used facilitate clean technology manufacturing in California. EPIC does *not* include market support for generalized outreach and education on the basic value of renewables, though it indicates that education and outreach *may* be worthy of EPIC funding if it is targeted toward specific populations or benefits.

<sup>&</sup>lt;sup>1</sup> The \$162 million are annual collections and allocations starting January 1, 2013. For 2012, the annual amount authorized in the Phase 1 decision is approximately \$143 million.

Guiding Principles: The primary and mandatory guiding principle of EPIC is to provide <u>ratepayer benefits</u>, defined as promoting greater reliability, lower costs and increased safety.

The CPUC adopted the following complementary guiding principles:

- Societal benefits
- GHG emission mitigation and adaptation in the electricity sector at the lowest cost
- The loading order
- Low emission vehicles/transportation
- Economic development, and
- Efficient use of ratepayer monies

Schedule: The triennial investment plan is prepared in Year 1; Solicitations and awards commence in Year 2.

- Scoping workshops August 2012 (Aug 2-3 in Sacramento; Aug 9-10 in LA)
- Propose Investment Plan to Stakeholders Sept 2012
- CEC and IOUs Submit Investment Plans to CPUC Nov 1, 2012
- CPUC Proceedings Dec 2012- April 2013
- CPUC Decision May 2013

**Process:** The investment plan development process will be an open and transparent process. We welcome participation of all interested stakeholders in workshops and through the submittal of written comments.

Please direct interested stakeholders to the CEC website for current EPIC information including upcoming workshops, and to sign up to receive email updates: <a href="http://www.energy.ca.gov/research/epic/">http://www.energy.ca.gov/research/epic/</a>

Copies of the decision can be found at:

- California Public Utilities Commission, Phase 2 Decision Establishing Purposes and Governance for Electric Program Investment Charge and Establishing Funding Collections for 2013-2020, Rulemaking 11-10-003, Date of Issuance, May 31, 2012: <a href="http://docs.cpuc.ca.gov/word\_pdf/FINAL\_DECISION/167664.pdf">http://docs.cpuc.ca.gov/word\_pdf/FINAL\_DECISION/167664.pdf</a>
- California Public Utilities Commission, Decision Regarding Continuation of Funding for Energy Efficiency Programs, Rulemaking 11-10-003, Date of Issuance, December 21, 2011:

http://docs.cpuc.ca.gov/PUBLISHED/FINAL\_DECISION/156050.htm